India a Major Transit Point for Heroin Smuggling

1481. DR. Y. LAKSHMI PRASAD: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the India has become a major transit point for heroin smuggling and unauthorized exports of drugs;

(b) whether the use of heroin in the country itself has increased as a result of India becoming a big centre for international narcotic trafficking; and

(c) the reasons why India has failed to apprehend and prosecute major narcotic offenders?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) No, Sir. India is geographically located between two major opiates producing regions in the world, namely, Golden Crescent (Pakistan, Afghanistan and Iran) and Golden Triangle (Myanmar, Laos and Thailand) and is vulnerable to trafficking of drugs.

(b) There is no evidence of any increase in the use of heroin.

(c) India has achieved success in prosecuting a number of major narcotics offenders. Quite often the kingpins behind the drug trafficking, distance themselves from actual commission of crime and it is not possible in many cases to trace them and find clinching evidence against them.

Difference of opinion regarding NBFCs between RBI and Finance Ministry

1482. SHRI RAMDAS AGARWAL: Will the Minister of FINANCE be pleased to state:

(a) whether there is difference of opinion between Reserve Bank and the Finance Ministry over non-banking financial companies as reported in Economic Times, New Delhi dated the 4th July, 1997;

(b) whether Government have asked Shouri Committee to look into this matter, if so, whether Report of the Committee has been received so far; if not, when expected;

(c) whether Government propose to assign supervisory role of Reserve Bank to an outside agency or Apex Bank for financial supervision; and

(d) how many NBFCs have been registered with Reserve Bank till 8th July, 1997 and whether any guidelines for operation thereof framed so far by Reserve Bank?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) No, Sir.

(b) In consultation with the Government of India, Reserve Bank of India (RBI) had appointed a Committee in September, 1996 to examine, inter-alia, the need for creating a separate instrumentality for the supervision and enforcement of provisions relating to functioning of Non-Banking Financial Companies (NBFCs) including Residuary Non-Banking Companies' (RNBCs). The Committee which is headed by Mrs. R.S. Shere, then Principal Legal Adviser in the Reserve Bank of India was constituted subsequent to a judgement of the Supreme Court of India observing inter-alia that the need for a separate instrumentality for regulating RNBCs should be examined. The Committee has concluded its deliberations and has initiated the preparation of its report.

(c) In the context of a very large number of applications which have been received for registration as NBFCs, the Government of India have sought the views of the RBI on the necessity, if any, for a separate instrumentality for supervision of NBFCs.

(d) According to RBI, upto 8th July, 1997 as many as 37,478 applications have been received for registration from NBFCs. Preliminary scrutiny by RBI of the applications has commenced. Such of the companies which were in existence as on or before January 9, 1997 can con-

tinue to operate till their applications are rejected.

Nationalised Banks involved in Scams

1483. SHRI K.M. SAIFULLAH: Will the Minister of FINANCE be pleased to state:

(a) the names of the nationalised banks which have been found to be involved in scams during the last three years; and

(b) whether responsibility has been fixed and action taken against the persons involved and if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) and (b) Frauds have been detected in all the public sector banks during the last three years. The information relating to number of frauds detected in public sector banks, amount involved and action taken against delinquent employees for their involvement in frauds during the years 1994, 1995 and 1996 is given below:

	1994	1995	1996
Number of frauds	2266	1890	1954
Amounts involved (Rs. in lakhs)	20007.88 + Uganda Shillings 9844000	11551.12	31937.63
Action Taken against officials			
(a) No. of employees convicted	50	33	46
(b) No. of employees awarded major / minor penalty	1248	1160	1207
(c) No. of employees dismissed / discharged / removed	360	301	331

Harassment of Customers in PNB Branch, Harinagar

1484. SHRI CHIMANBHAI HARIBHAI SHUKLA: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that cheques tendered by the customers of Punjab National Bank branch, Harinagar for clearance are not properly acknowledged by the Bank staff and the customers are asked to put the cheques in a box kept in the Bank premises for the purpose;

(b) whether it is a fact that all the cheques received upto 12.00 noon on a particular day are not sent for clearance with the result that customers got delayed credit which causes inconvenience to them; and

(c) the action proposed by Government/Punjab National Bank to set the system right so as not to cause any inconvenience to customers?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) to (c). According to the Bank, the system of putting cheques in a box which was introduced to facilitate depositing of cheques even beyond office hours has since been discontinued on the basis of the feed-back received. Now, all the instruments deposited by the customers for clearing are duly acknowledged.

The bank has reported that the branch has now been computerised and all the cheques received upto 12 noon are sent for clearance on the same day. According